U.S. Department
of Transportation

**Federal Aviation
Administration**

FEDERAL AVIATION ADMINISTRATION

BUDGET IN BRIEF

Fiscal Year 1996

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OVERVIEW

OVERVIEW

Under the Administration's reinvention proposal, transportation infrastructure programs previously funded through separate modal grant programs, including airport grants, will be consolidated and replaced by the Unified Transportation Infrastructure Investment Program (UTIIP). A funding level of $6.9 billion proposed for the balance of the FAA, of which 70 percent is funded from the aviation account within the new unified trust fund. Legislation will be proposed to establish an air traffic corporation in FY 1997. The following distribution reflects the budget resources proposed by the FY 1996 budget request for the Federal Aviation Administration's four major programs: ($ millions)

	FY 1995 Enacted	FY 1996 Request	$ change	% change
FAA TOTAL	**$9,035.2a/**	**$6,879.6**	**-$2,155.6**	
Accounts				
Operations	4,582.5	4,704.0	+ 121.5	+3%
Facilities & Equipment	2,087.5	1,907.8	- 179.7	-9%
Facilities & Equipment Rescission b/	(55.0)			
Research, Eng., & Dev.	259.2	267.7	+ 8.5	+3%
Grants-in-Aid for Airports:				
Contract Authority	2,161.0	2,214.0	+ 53.0	+2%
Contract Authority Reinvention	---	-2,214.0	-2,214.0	---
Obligation Limitation	1,450.0	1,500.0	+ 50.0	+3%
Obligation Limitation Reinvention	---	-1,500.0	-1,500.0	---

a/ FY 1995 FAA total includes contract authority.
b/ FY 1995 rescission for procurement reform.

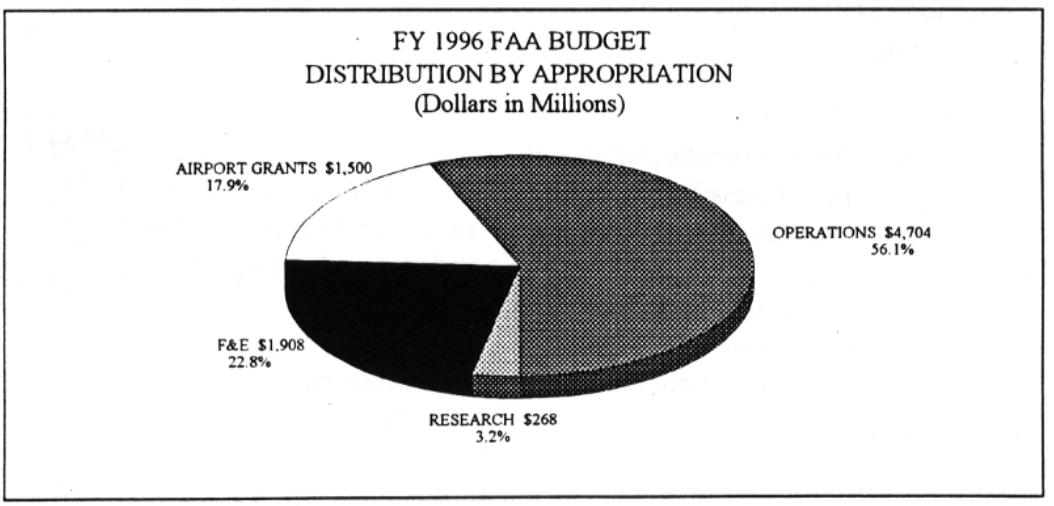

Figure 1

Operations ($4,704.0 million, 45,469 FTE)

In FY 1996, the Administration is seeking $4,704 million for FAA Operations, $121 million, or 2.7 percent, above that enacted for FY 1995, and 44,492 employees, 424, or 1 percent, below that estimated for the end of FY 1995. As detailed in Table 1, savings of $125 million are proposed that are primarily due to reductions in staffing. Other savings are made possible by reducing or eliminating lower priority items and taking further reductions in oversight and administrative travel and support contracts. These savings are offset by increases of $247 million, most of which are non-discretionary to cover costs associated with mandatory pay adjustments, inflationary growth, and requirements associated with bringing new equipment on-line and making it operational, staffing increases in the safety workforce and high-priority requirements such as continuation of the OMEGA navigational system. Of the total requested, $3,606 million, 77 percent of the Operations budget, will support payroll costs. The remaining $1,098 million, 23 percent, will fund non-payroll costs such as contracts, communications, utilities, equipment and supplies, travel, and non-GSA rent.

Table 1

Build-Up of the FY 1996 Operations Budget
(Dollars in Millions)

FY 1995 Enacted	$4,582.5
Reinventing Government/Streamlining Savings:	
Reduction in Personnel and Related Costs	-66.1
Reductions/Terminations in Programs	-59.1
Total Savings	-125.1
Increases:	
Mandatory Pay Adjustments	+131.5
Installing/Operating New Equipment	+60.7
Inflationary Adjustment	+19.3
Staffing Increases:	
Aviation Inspectors/Support (+261)	+9.9
Airport Grants Personnel (+50)	+1.9
High-Priority Program Increases	+23.3
Total Increases	+246.6
FY 1996 Request	$4,704.0

OVERVIEW

Grants-In-Aid for Airports ($1,500 million in UTIIP)

Aviation projects previously funded by the Airport Improvement Program will be eligible for funding through the Unified Transportation Infrastructure Investment Program (UTIIP). Under current law, the budget assumes an obligation limitation of $1,500 million for airport improvement projects. The FY 1996 budget assumes $218 million to cover FY 1996 payments for existing AIP letters of intent (LOI). Because of current and projected levels of funding, there will be no new issuances of letters of intent in FY 1995 or FY 1996. Airport grant funding will continue to be supplemented by the passenger facility charges. At the end of calendar year 1994, 212 airports have been approved to collect PFCs totaling more than $10 billion over the next 40 years.

Facilities and Equipment

The FY 1996 request for Facilities and Equipment (F&E) is $1,907 million, a nine percent decrease from the FY 1995 enacted level. Included in this request are capital needs contained in the FAA's Capital Investment Plan (CIP). The budget continues funding to support major systems such as the en route, terminal and tower automation programs, next generation weather radar, and satellite navigation.

Research, Engineering & Development

For Research, Engineering and Development (R,E&D) the budget requests $267 million, a three percent increase over the FY 1995 enacted level. The R,E&D budget focuses on increased initiatives in security technology, satellite navigation, aircraft safety technology, aging aircraft, and human factors research along with the ongoing development of safety and capacity programs.

Employment/Downsizing

The FAA continues to reduce its workforce, in keeping with the President's executive orders and the Federal Workforce Reduction Act, and as many private-sector employers have. This budget requests funding for 5,400 fewer civilian employees than in the Department's FY 1993 enacted budget. This reflects 83-percent of the 12-percent reduction goal to which FAA is committed by FY 1999. In addition, the groundwork is being laid to corporatize air traffic control operations in FY 1997.

The FY 1996 budget reflects a net reduction of 547 employees from the FY 1995 estimate for all appropriations. Employment in the overall safety work forces will be increased over the FY 1995 levels, including an additional 261 flight standards safety and certification inspectors and support personnel. The number of controllers and field maintenance technicians will both decline about

1 percent, to 17,050 and 7,976 respectively, due primarily to contracting out and streamlining the operation of lower-level towers and restructuring the airway facilities program.

Streamlining plans are in place for all FAA organizations, and FAA expects to meet or exceed the total reductions in staffing required by the National Performance Review (NPR) by the end of FY 1999. Efforts will continue to focus on meeting other NPR targeted reduction such as reducing Headquarters staff, budget analysts, accountants, logisticians, and personnelists. Progress is also being made in increasing the supervisory to employee ratio.

United States Air Traffic Services (USATS)

Legislation is being proposed to transfer the operation, maintenance and development of the air traffic control system to a Government corporation, free of most government personnel, procurement, and budget restrictions. It will facilitate modernization and improve operational efficiency of the air traffic system because the corporation will be exempt from cumbersome Federal budget, personnel and procurement procedures. The corporation will be self-sustaining and be able to operate in a more business-like manner by retaining use of its revenues and having the ability to borrow to accelerate system investment. The impact of the corporation proposal is not reflected as part of the FY 1996 budget request since it will not begin operating until FY 1997. Legislation is being submitted to the current Congress, which calls for implementation in FY 1997. At that time, nearly 40,000 of FAA's employees will be transferred to the corporation along with nearly 70 percent of FAA's budgeted resources.

Airport and Airway Trust Fund

Public Law 103-305, the Federal Aviation Administration Authorization Act of 1994 extended FAA's programs through 1996. This Act provides authorization levels for FAA's Operations, Facilities and Equipment, and Airport Improvement Program (AIP) for FY 1994 through FY 1996, and the Research, Engineering and Development program for FY 1995 and FY 1996.

The Act authorized AIP contract authority of $2.105 billion for FY 1994; $2.161 billion for FY 1995, and $2.214 billion for FY 1996. The Facilities and Equipment program is authorized at $2.524 billion for FY 1994, $2.670 billion for FY 1995, and $2.735 billion for FY 1996. Authorization levels for the Research, Engineering and Development program is $266.8 million in FY 1995 and $280.1 million in FY 1996. FAA's Operations account is authorized at $4.576 billion for FY 1994, $4.674 billion for FY 1995, and $4.810 billion for FY 1996.

The Omnibus Budget Reconciliation Act of 1990 (OBRA90) increased (by 25 percent) the domestic passenger ticket tax, the freight waybill tax, and the non-commercial (general aviation) fuels tax. (The international departure tax was previously increased from $3 to $6 per passenger,

effective January 1, 1990.) The air passenger ticket tax increased from 8 percent to 10 percent of the price of a ticket and the domestic air cargo tax increased from 5 per cent to 6.25 percent of the freight waybill. The fuel tax has two components: The tax on gasoline used in non-commercial aviation increased from 12 cents per gallon to 15 cents per gallon and the tax on non-commercial (jet fuel) increased from 14 to 17.5 cents per gallon.

Total revenues expected in FY 1996 are $6.8 billion including $0.8 billion from interest earned by the Trust Fund. The uncommitted balance in the Trust Fund was $3.7 billion at the end of FY 1994 and estimated to be approximately $3.1 and $3.3 billion by the end of FY 1995 and FY 1996, respectively.

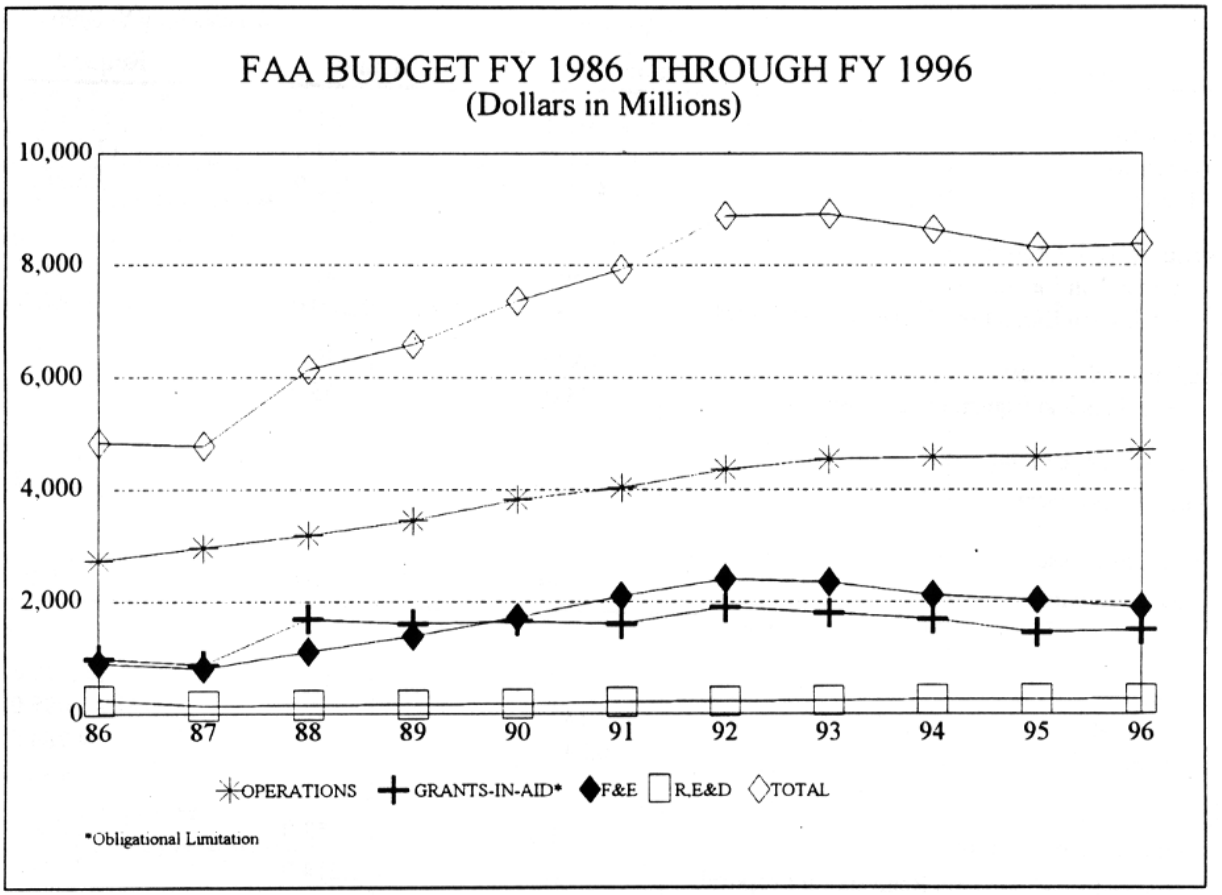

Figure 2

The FY 1996 budget requests $4,704.0 million and 45,469 direct full-time equivalent (FTE) workyears to support FAA operations. Total FTEs will be 48,839 including those personnel funded by F&E and R,E&D appropriations and Aviation Insurance Revolving Fund and reimbursable agreements. The FY 1996 projects previously funded under the Grants-in-Aid for Airports program will be funded under the new Unified Infrastructure Investment Program that

will contain both an aviation account and a surface transportation account. This new trust fund will be financed by existing highway and aviation taxes, but revenue will not be co-mingled. To modernize and improve the nation's airspace system (NAS) and to improve air traffic control and airway facilities services, the FAA requires $1,907.8 million. In research support $267.7 million is requested in FAA's major mission areas of safety, security, capacity, and efficiency.

Table 2

Appropriations and Obligation Limitation
Summary of Funds
(Dollars in Millions)

Appropriation	FY 1995 Enacted	Change	FY 1996 Request
Operations	$4,582.5	121.5	$4,704.0
(General)	(2,132.3)	-37.3	(2,094.9)
(Trust)	(2,450.3)	158.9	(2,609.1)
Grants-In-Aid-Airports			
Obligation Limitation	1,450.0	50.0	1,500.0
Obligation Limitation Reinvention Proposal	----	-1,500.0	-1,500.0
Facilities and Equipment	2,087.5	-179.7	1,907.8
Facilities and Equipment Recission	(55.0)	-55.0	----
Research, Engineering and Development	259.2	8.5	267.7
Aircraft Purchase Loan Guarantee	0.05	0.0	0.05
TOTAL	$8,324.3	-$1,554.7	$6,879.6
(General)	2,132.3	-37.3	2,095.0
(Trust)	6,247.0	-1,462.4	4,784.6
Contract Authority			
Grants-In-Aid-Airports	2,161.0	53.0	2,214.0
Grants-In-Aid Airports Reinvention Proposal	----	-2,214.0	-2,214.0

FAA STAFFING LEVELS

Table 3

OPERATIONS	FY 1994 Actual FTE	FY 1994 Actual EOY EMPLOYMENT	FY 1995 Enacted Level (Revised) FTE	FY 1995 Enacted Level (Revised) EOY EMPLOYMENT	FY 1996 Request FTE	FY 1996 Request EOY EMPLOYMENT
Operations of Traffic Control System	25,793	24,919	25,101	24,488	24,506	24,063
NAS Logistics	1,300	1,208	1,257	1,203	1,244	1,184
Maintenance of Traffic Control System	9,925	9,417	9,406	9,231	9,302	9,075
Aviation Regulation & Certification	4,212	4,091	4,379	4,413	4,625	4,645
Aviation Standards	1,168	1,053	1,088	1,074	1,093	1,074
Civil Aviation Security	818	772	785	782	790	778
NAS Design & Management	552	512	510	493	496	483
Administration of Airports Program	508	447	476	450	503	500
Executive Direction & Management	1,895	1,691	1,789	1,671	1,734	1,618
Human Resources Management	1,416	1,163	1,258	1,111	1,176	1,072
SUBTOTAL , OPERATIONS	47,587	45,273	46,049	44,916	45,469	44,492
FACILITIES AND EQUIPMENT	2,218	2,117	2,300	2,150	2,250	2,050
RESEARCH, ENGINEERING AND DEVELOPMENT	679	584	711	636	703	613
AVIATION INSURANCE	3	3	3	3	3	3
TOTAL, DIRECT PROGRAM	50,487	47,977	49,063	47,705	48,425	47,158
REIMBURSABLE						
Operations	362	332	353	347	353	347
Facilities and Engineering	44	55	55	55	55	55
Research, Engineering and Development	4	4	6	6	6	6
TOTAL, REIMBURSABLE	410	391	414	408	414	408
GRAND TOTAL	50,897	48,368	49,477	48,113	48,839	47,566

OPERATIONS

OPERATIONS

For FY 1996, the FAA Operations budget request places continued emphasis on streamlining operations, decreasing Federal employment, and reducing costs. At the same time, the budget provides for necessary increases in selected safety-related staffing and meets mandatory and high-priority funding requirements.

In total, $4,704 million is required for FY 1996, $121 million, or 2.7 percent, above that enacted for FY 1995. Reflecting the operational nature of the FAA, $3,606 million, or 77 percent, of the funds requested will be used to support payroll costs (Figure 3) . The balance of $1,098 million, or 23 percent, will be used to support largely non-discretionary, non-payroll costs such as rents, communications, utilities, operational travel, and support contracts.

The budget request also includes funding for 44,492 employees, 424, or 1 percent, below that estimated for the end of FY 1995. Fully consistent with the Administration's goal to downsize the Federal Government, employment will decrease by 760 through the continuation of a hiring freeze. However, this decrease will be offset in part by an increase of 336 needed to provide adequate staffing to fulfill our safety mandate and make operational new equipment in a timely manner.

For FY 1996, the Operations budget requests consists of eleven activities (Figure 4) : Air Traffic; National Airspace System Logistics Support; Systems Maintenance; Leased Telecommunications; Aviation Regulation and Certification; Aviation Standards; Aviation Security; National Airspace System Design and Management; Administration of Airports; Human Resource Management; and Executive Direction and Management. Each of these eleven activities is briefly discussed below.

OPERATIONS

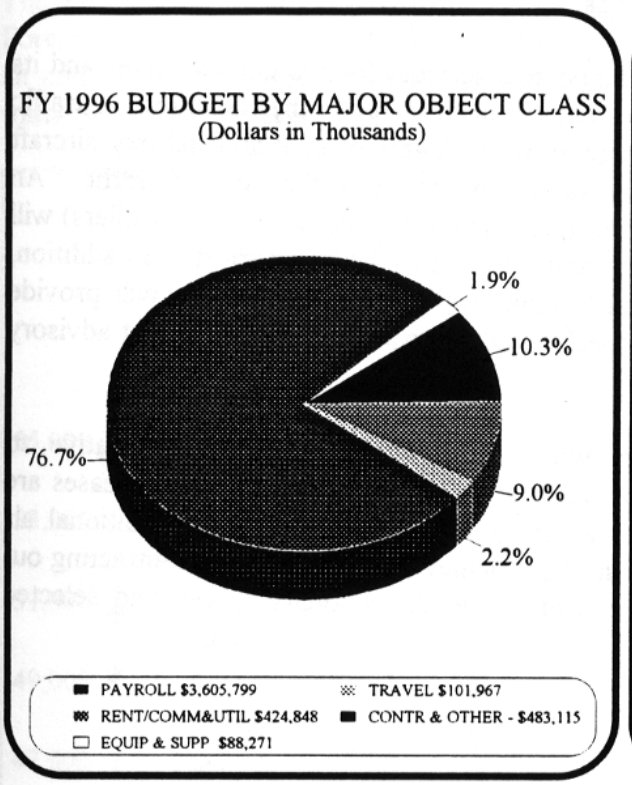

Figure 3

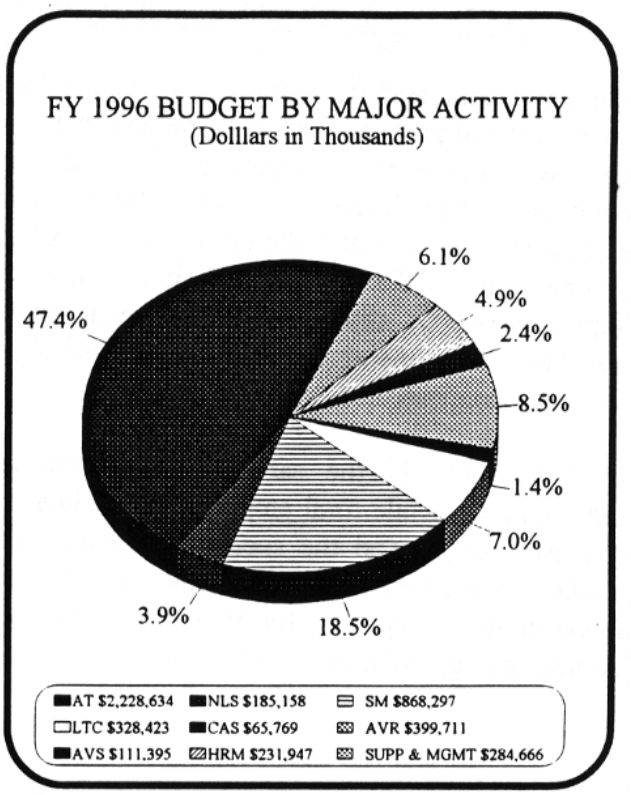

Figure 4

AIR TRAFFIC -- $2,229 million and 24,506 FTEs

The Air Traffic activity supports 24 hour air traffic control services for the United States and its territories and possessions. With the aid of radar, communications, and other facilities, air traffic control personnel at 21 centers monitor and control en route flights of civil and military aircraft conducted under instrument flight rules to assure safety and expedite the flow of traffic. An estimated 477 terminal facilities (359 with FAA controllers and 118 with contract controllers) will be operated in FY 1996, controlling air traffic into and out of our Nation's airports. In addition, approximately 61 automated, 14 domestic, and 17 auxiliary flight service stations will provide weather and aeronautical information to pilots, process flight plans, and provide in-flight advisory and emergency services in FY 1996.

In FY 1996: (1) the safety-critical controller work force will be maintained relative to requirements, while total employment declines by 425, from 24,488 to 24,063; (2) increases are requested to expand the successful contract tower program and to provide for additional air traffic support for the 1996 Olympics; and (3) savings are achieved by closing and contracting out low-activity towers and through reductions to leased space, discretionary travel, and selected contracts (e.g., weather observations).

OPERATIONS

The FAA forecast traffic growth of 3.17 percent in FY 1995 and -0.34 percent in FY 1996. Forecast data assumes 25 FAA operated towers converted to contract on October 1, 1994, with an additional 25 towers converted to contract operations before the end of FY 1995. Key air traffic workload indicators for FY 1991-94 are shown in the following two graphs:

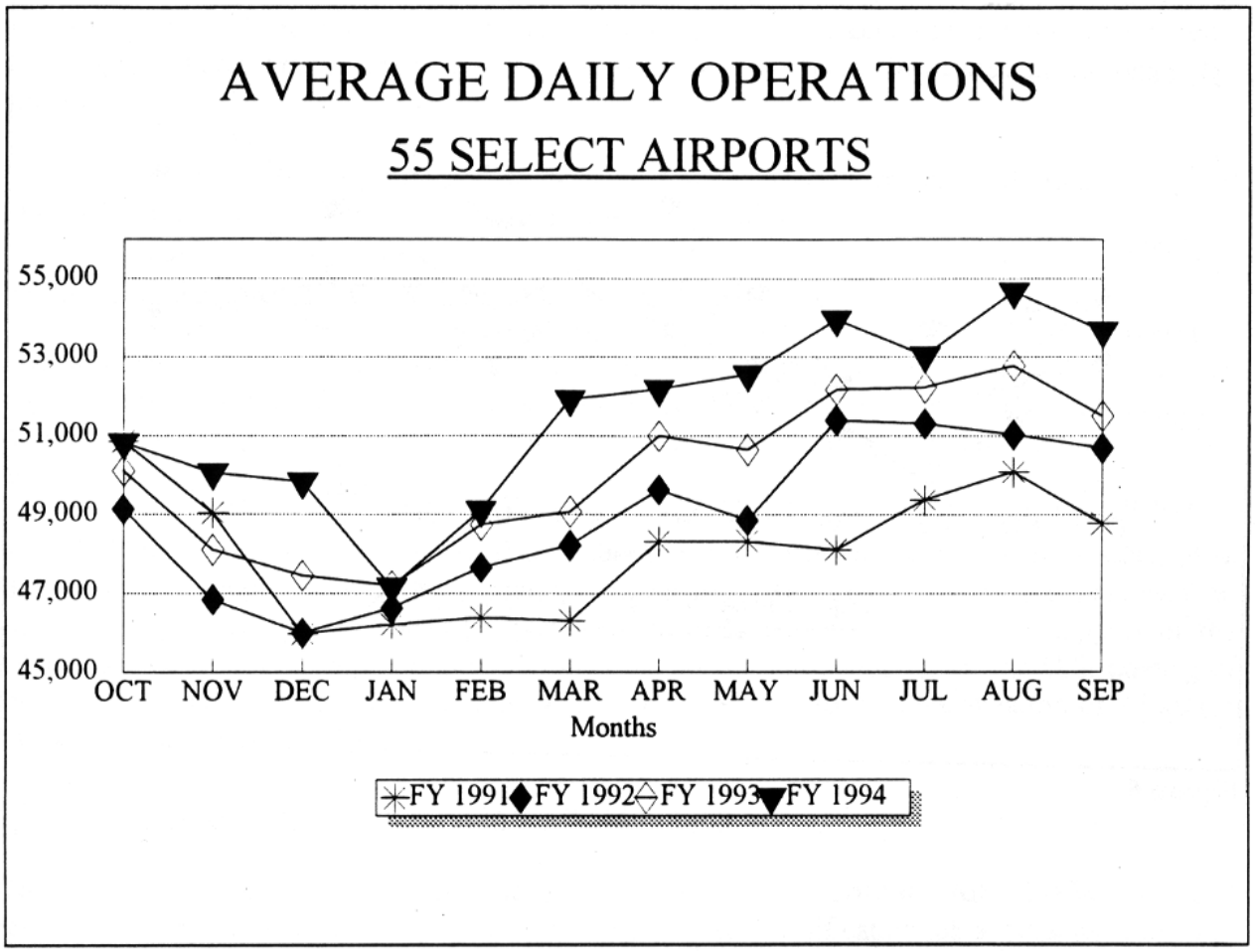

Figure 5

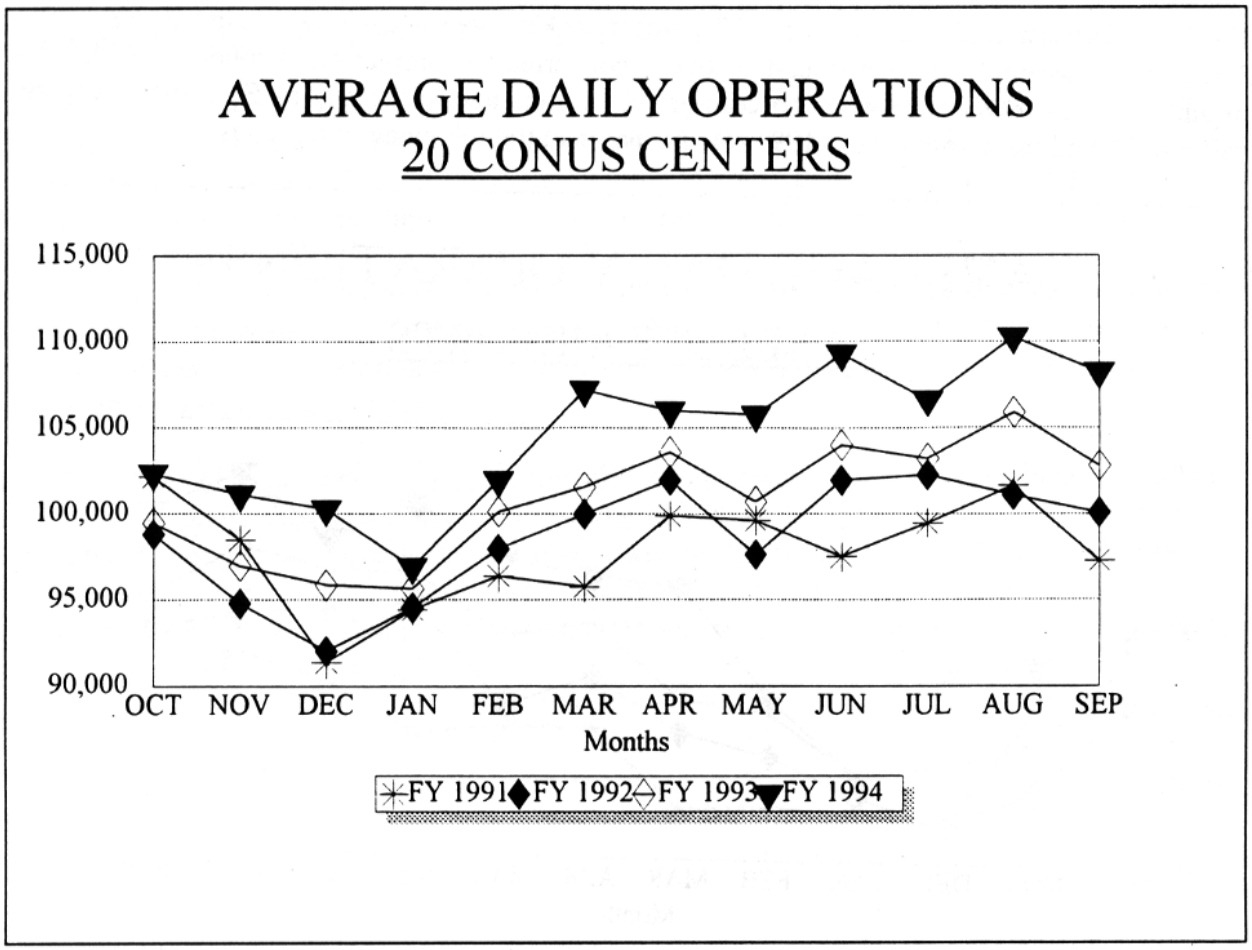
AVERAGE DAILY OPERATIONS
20 CONUS CENTERS
115,000
110,000
105,000
100,000
95,000
90,000
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
Months
FY 1991
FY 1992
FY 1993
FY 1994

Figure 6

OPERATIONS

NATIONAL AIRSPACE SYSTEM (NAS) LOGISTICS -- $185 million and 1,244 FTEs

The NAS Logistics Support activity is responsible for depot and limited field maintenance; supply support for NAS equipment and agency aircraft; replenishment and repair of spares; procurement activities in the regions and at the Mike Monroney Aeronautical Center; the purchasing, leasing, and management of real estate including land, office space, and specialized facilities; and material and property management and administrative services to support the day-to-day operations of the agency.

In FY 1996, increases are requested to provide for necessary logistical and training support required to bring new equipment on-line and make it operational.

SYSTEMS MAINTENANCE -- $868 million and 9,302 FTEs

The purpose of the Systems Maintenance activity is to provide for the maintenance, repair, and engineering of over 31,000 facilities and equipment comprising the National Airspace System (NAS), including air traffic control equipment, navigation and landing aids, flight service facilities, and support of FAA plant facilities.

In FY 1996: (1) the FY 1995 level of field maintenance employment will held constant, even though overall employment is being reduced through attrition; (2) increases are requested to support bringing on-line and making operational new equipment, continue our support of the DOD Base Closure program, and provide one-time maintenance support for the U.S. hosting of the Olympics; and (3) significant savings will be achieved due to the consolidation of 77 sector offices into 33 begun in FY 1995.

LEASED TELECOMMUNICATIONS -- $328 million

The Leased Telecommunications activity provides the critical Air Traffic Control telecommunications link in the process that begins with identification of a National Airspace System (NAS) requirement and ends with the commissioning and operation of a new NAS facility. It also provides FAA-wide telecommunication services. Because of the very nature of these activities, these expenditures are largely mandatory if the operational nature of the FAA is not to be impaired.

In FY 1996, increases are requested to bring new equipment on-line and make it operational and to continue our support of the DOD Base Closure program.

AVIATION REGULATION AND CERTIFICATION -- $400 million and 4,625 FTEs

The Aviation Regulation and Certification program includes the development, promulgation, and administration of the safety standards, rules, and regulations applicable to airmen, aircraft, and operations involving U.S. civil aviation throughout the world and foreign operations into and over United States territory.

In FY 1996, the budget requests an additional of 131 FTEs in continuation of a multi-year effort begun in FY 1995 to increase staff required to reverse the decline in FAA's safety workforce from FY 1992 through FY 1994. Among other tasks, this additional staffing will allow us to reduce the large backlog in applications for new airlines, commuter carriers, air taxis, and repair stations. In addition, increases are requested to continue the operation of the OMEGA navigation system (a program being transferred from the United States Coast Guard), to meet the operational requirements of systems scheduled to come on-line in FY 1996, and to support the 1996 Olympics.

AVIATION STANDARDS -- $111 million and 1,093 FTEs

The purpose of the Aviation Standards program is to promote and ensure aviation safety by operating programs and establishing standards related to aviation medicine, flight operations and procedures, and accident investigations. In particular, Aviation Standards monitors signal accuracy of navigational aids, develops flight procedures, and maintains airman and aircraft records. Aviation Standards also participates in accident investigations.

In FY 1996, employment will be held constant (due to the safety-critical nature of the work) and increases will be requested to support the introduction of new equipment and expand alcohol testing.

CIVIL AVIATION SECURITY -- $66 million and 790 FTEs

Civil Aviation Security is responsible for establishing and enforcing regulations, policies, and procedures; identifying potential threats and appropriate countermeasures; and in general, providing guidance for the safety of passengers, baggage, cargo, the safeguarding of aircraft, and protection of FAA facilities, asset infrastructure, and personnel. In addition, civil aviation security conducts assessments, in-depth analyses of the security measures at airports, on behalf of the Secretary of Transportation and supports Federal, State, and local law enforcement agencies engaged in the investigation and interdiction of drug smuggling.

OPERATIONS

In FY 1996, the number of security agents will be held constant from FY 1995 to FY 1996 (in recognition of the critical safety nature of their work) and additional funds will be requested to support additional security requirements at the Olympics.

NATIONAL AIRSPACE SYSTEM (NAS) DESIGN AND MANAGEMENT -- $53 million and 496 FTEs

This activity provides resources necessary to oversee and manage Research, Engineering, and Development and Facilities and Equipment programs, as well as operating and maintaining the Technical Center research complex in Atlantic City.

In FY 1996, employment levels and costs are both being reduced. Employment is being reduced through the continuation of an agency-wide hiring freeze.

ADMINISTRATION OF AIRPORTS -- $42 million and 503 FTEs

The purpose of the Airport's Program is to provide the Federal leadership and support necessary to create and maintain a system of airports in the U.S. that safely, adequately, economically, and efficiently meets the need, both present and future, to transport people and goods by air and to foster the use of U.S. airport safety and uniform technical standards abroad.

In FY 1996, 50 new positions are required to allow increased airport inspections, to monitor the adequacy of airport infrastructure, and to ensure that there is no diversion of airport funds off-airport.

HUMAN RESOURCE MANAGEMENT -- $232 million and 1,176 FTEs

The Human Resource Management (HRM) activity provides support in all human resource management functions -- training, recruitment, and management, to name three. Beneficial effects from the HRM program appear in terms of overall safety of the airspace system, improved human relations and management practices, and greater program efficiencies.

In FY 1996, employment levels and costs will be reduced. Employment will be reduced through the continuation of a hiring freeze in FY 1996 and the continued efforts to significantly re-engineer its business processes to more responsively and efficiently meet FAA's changing needs. Savings will be taken in a variety of areas, including the elimination of aviation education.

EXECUTIVE DIRECTION AND MANAGEMENT -- $189 million and 1,734 FTEs

The purpose of the Executive Direction and Management program is to establish policy, direct and develop programs, and provide administrative services in support of the agency's operations activities.

This is a new activity, combining two previously separate, administrative activities -- Headquarters Administration and the Direction Staff and Supporting Services. This consolidation will streamline operations, save resources, and provide FAA management with greater flexibility.

OPERATIONS

Table 4

FY 1996 BUDGET REQUEST
DOLLAR RESOURCES
(Dollars in Thousands)

	FY 1994 Actual	FY 1995 Estimate	FY 1996 Request	FY 95-96 Percent Change
Operations of Traffic Control System	2,147,724	2,200,319	2,228,634	1.3%
NAS Logistics Support	181,026	175,665	185,158	5.4%
Maintenance of Traffic Control System	855,901	842,331	868,297	3.1%
Leased Telecommunications Services	318,730	316,793	328,423	3.7%
Aviation Regulations and Certification	348,094	361,119	399,711	10.7%
Aviation Standards	115,679	108,751	111,395	2.4%
Civil Aviation Security	65,419	64,849	65,769	1.4%
NAS Design & Management	57,802	54,078	53,277	-1.5%
Administration of Airport Programs	39,245	39,299	42,173	7.3%
Human Resources Management	257,100	229,964	231,947	0.9%
Executive Direction and Management	192,851	190,270	189,216	-0.6%
TOTAL OPERATIONS	4,579,571	4,583,438	4,704,000	2.6%

Table 5

FY 1996 BUDGET REQUEST
BY MAJOR OBJECT CLASS
(Dollars in Thousands)

		FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
11.1	Full-time permanent	2,491,994	2,508,755	2,572,196
11.3	Other than full-time permanent	24,712	23,765	24,206
11.5	Other personnel compensation	256,377	281,881	280,891
11.8	Special personal services payments	2,929	3,511	3,968
11.9	Total personnel compensation	2,776,012	2,817,912	2,881,261
12.1	Civilian personnel benefits	703,176	707,747	722,899
13.0	Benefits for former personnel	59,006	7,591	1,639
21.0	Travel and transportation of persons	83,549	85,360	83,430
22.0	Transportation of things	19,974	19,904	18,537
23.2	Rental payments to others	19,495	14,980	14,950
23.3	Comm., utilities and miscellaneous charges	408,958	399,171	409,898
24.0	Printing and reproduction	10,262	9,037	9,251
25.1	Consulting services	1,668	1,600	1,650
25.2	Other services	382,082	436,319	471,724
26.0	Supplies and materials	84,496	74,659	77,722
31.0	Equipment	29,313	8,154	10,549
32.0	Lands and structures	635	60	59
42.0	Insurance claims and indemnities	945	944	431
99.0	Subtotal, direct obligations	4,579,571	4,583,438	4,704,000

SPECIAL INTEREST WORKFORCE

Controller Workforce

- One of the FAA's highest and most essential priorities is to ensure that flying remains one of the safest and most efficient forms of transportation. The current workforce is doing an outstanding job. Safety has not been and will not be jeopardized.

- As of September 30, 1994, controller workforce (CWF) employment was 17,544. Because of contracting for level 1 towers and small projections of traffic growth, we plan to scale back the CWF through attrition to 17,050 by September 1996.

Flight Standards Staffing

- For FY 1996, Flight Standards end-of-year staffing level will be 3,698 a net increase of 217 above the FY 1995 level of 3,481.

- Major program initiatives such as commuter safety, international activities to provide certification and surveillance services to the global aviation community and Strategic Quality Management of all flight standards programs will continue as planned.

Aircraft Certification

- For FY 1996, Aircraft Certification end-of-year staffing will reach an employment level of 908, up 16 from the FY 1995 level of 892.

- The Aircraft Certification Service will continue to address enhanced activity and growth in international work, aging aircraft, and continued commonalty both here and abroad.

- Increased emphasis on internationalization in the certification process of civil aviation industries will continue to be a top priority. Continued operational safety, regulatory policy development and new certifications, appointments and approvals will ensure maximum aviation safety to the public.

Civil Aviation Security Staffing

- The FY 1996 end-of-year employment level for the Civil Aviation Security workforce will be 778. While the number of security agents will be held constant from FY 1995 to FY 1996, a minimal reduction will be taken in the Security support staff.

- Aviation security personnel are responsible for: 1) developing and ensuring the

implementation of security measures designed to safeguard passengers, crew, baggage, cargo, and aircraft (domestically and internationally) from the threat of violence from hijacking, sabotage, and other criminal acts; 2) providing inflight security as Federal Air Marshals; 3) ensuring effective explosive detection through the use of K-9 teams, enhanced x-ray screening equipment, and R,E&D of automated explosive detection systems; 4) ensuring the safe transportation of hazardous materials by air; and 5) providing support to law enforcement agencies working to prevent the smuggling of drugs by air.

Field Maintenance Staffing

- Field maintenance technicians are responsible for maintaining and repairing facilities and equipment at 6 general NAS sector offices, 27 system management offices, and 21 air route traffic control centers comprising the National Airspace System (NAS). The NAS includes the following major types of facilities: navigation and landing aids, radar, automation systems, and communication equipment. The workforce is responsible for the maintenance of physical structures and grounds.

- It is expected that the end-of-year employment level for FY 1996 will be comprised of 7,976 personnel in the field maintenance workforce, which is responsible for maintaining over 31,000 facilities.

Other Staffing

- Other staffing (e.g., budget, procurement, accounting and personnel) will continue to decline. A hiring freeze will be continued in most non-safety workforces as part of the agency's streamlining and downsizing effort.

Table 6

SPECIAL INTEREST STAFFING
End-of-Year Employment

	1992	1993	1994	1995	1996 EST	Change 95 - 96
Controller Workforce	17,982	17,688	17,544	17,300	17,050	-250
Flight Standards Workforce	3,481	3,381	3,242	3,481	3,698	217
Aircraft Certification Workforce	837	845	809	892	908	16
Civil Aviation Security	852	831	772	782	778	-4
Field Maintenance Workforce	8,995	8,756	8,248	8,086	7,976	-110
Airports Workforce	507	506	447	450	500	50

GRANTS-IN-AID FOR AIRPORTS

The FY 1996 request is for a $1.500 billion obligation limitation for Airport Improvement Grants to eligible airports to enhance capacity, emphasize safety and security needs, and mitigate noise. Airport funding is further augmented by continued implementation of the passenger facility charges (PFCs). At the end of calendar year 1994, 212 airports were approved to collect PFCs totaling more than $10.0 billion over the next 40 years.

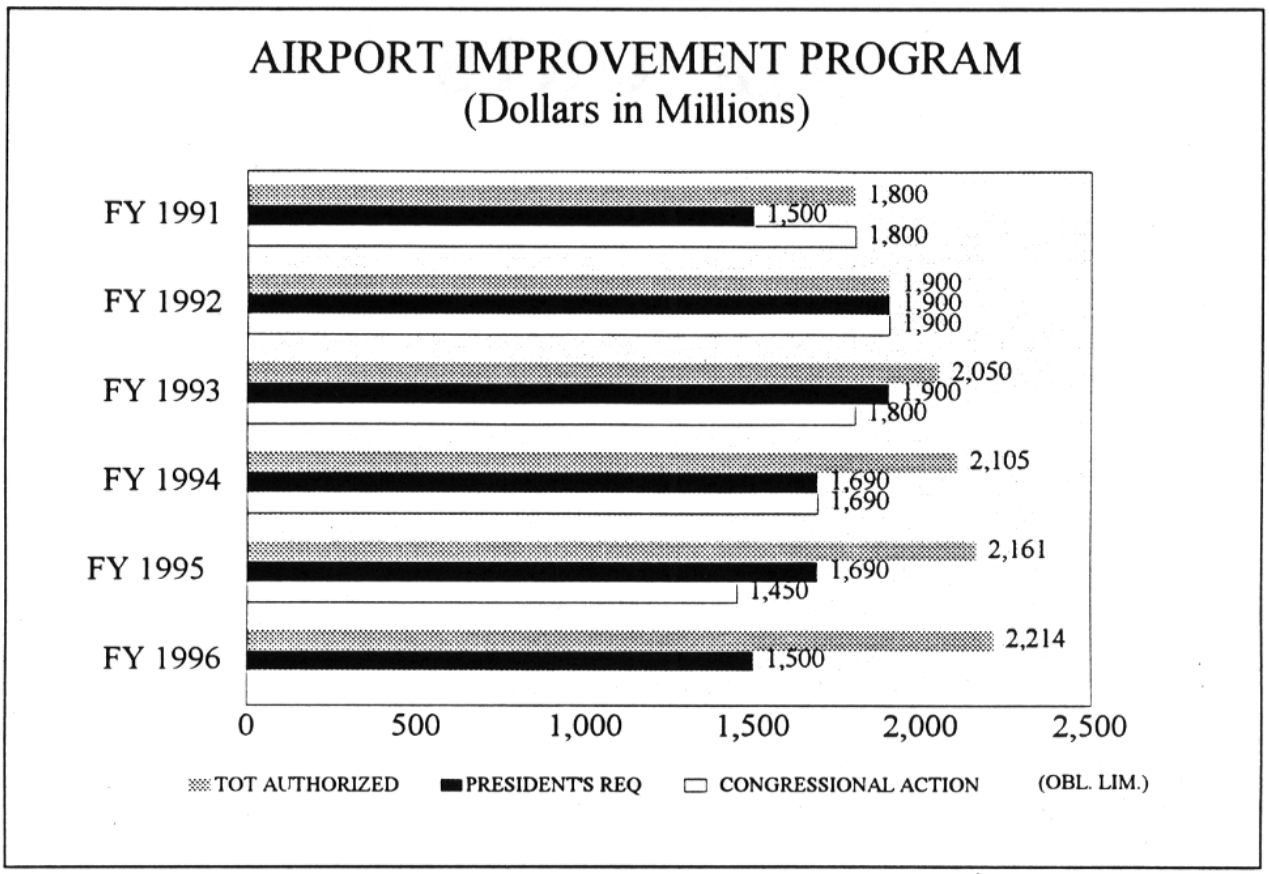

Figure 7

In addition, the FAA was authorized in FY 1988 to issue a letter of intent (LOI) for certain airport development projects. Under this provision, a sponsor may notify the FAA of an intention to carry out a project that will enhance system wide airport capacity without Federal funds. The benefit to the sponsor is that if approved by the FAA, they may proceed with a project and, may receive more favorable private financing (e.g., bond ratings) due to the announced intention of Federal support for the project. The FAA's LOI's to date may reimburse airport sponsors up to a total of $1,425.7 million in both formula and discretionary from FY 1994 through FY 2005, subject to fund availability.

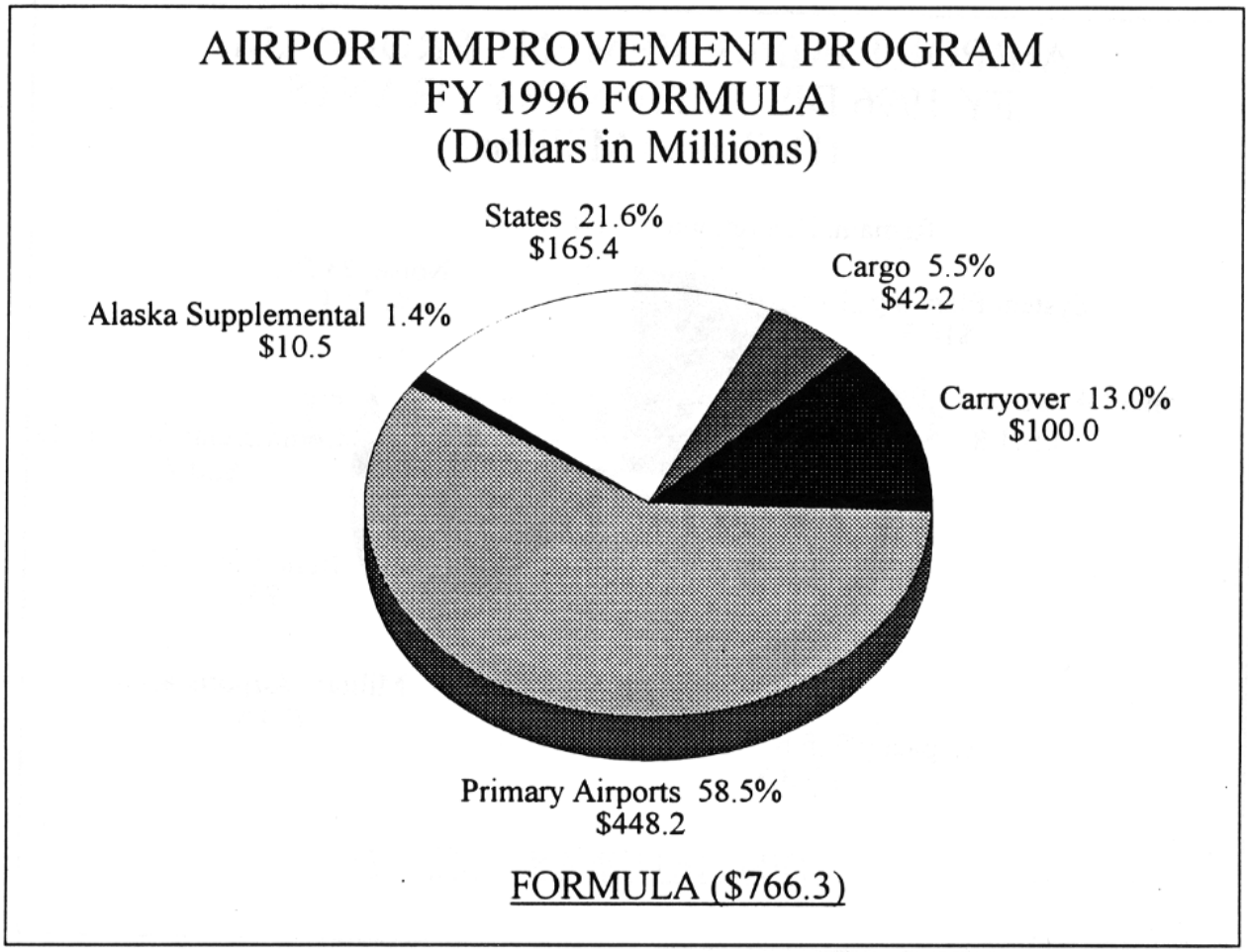
AIRPORT IMPROVEMENT PROGRAM
FY 1996 FORMULA
(Dollars in Millions)
States 21.6%
$165.4
Cargo 5.5%
$42.2
Alaska Supplemental 1.4%
$10.5
Carryover 13.0%
$100.0
Primary Airports 58.5%
$448.2
FORMULA ($766.3)

Figure 8

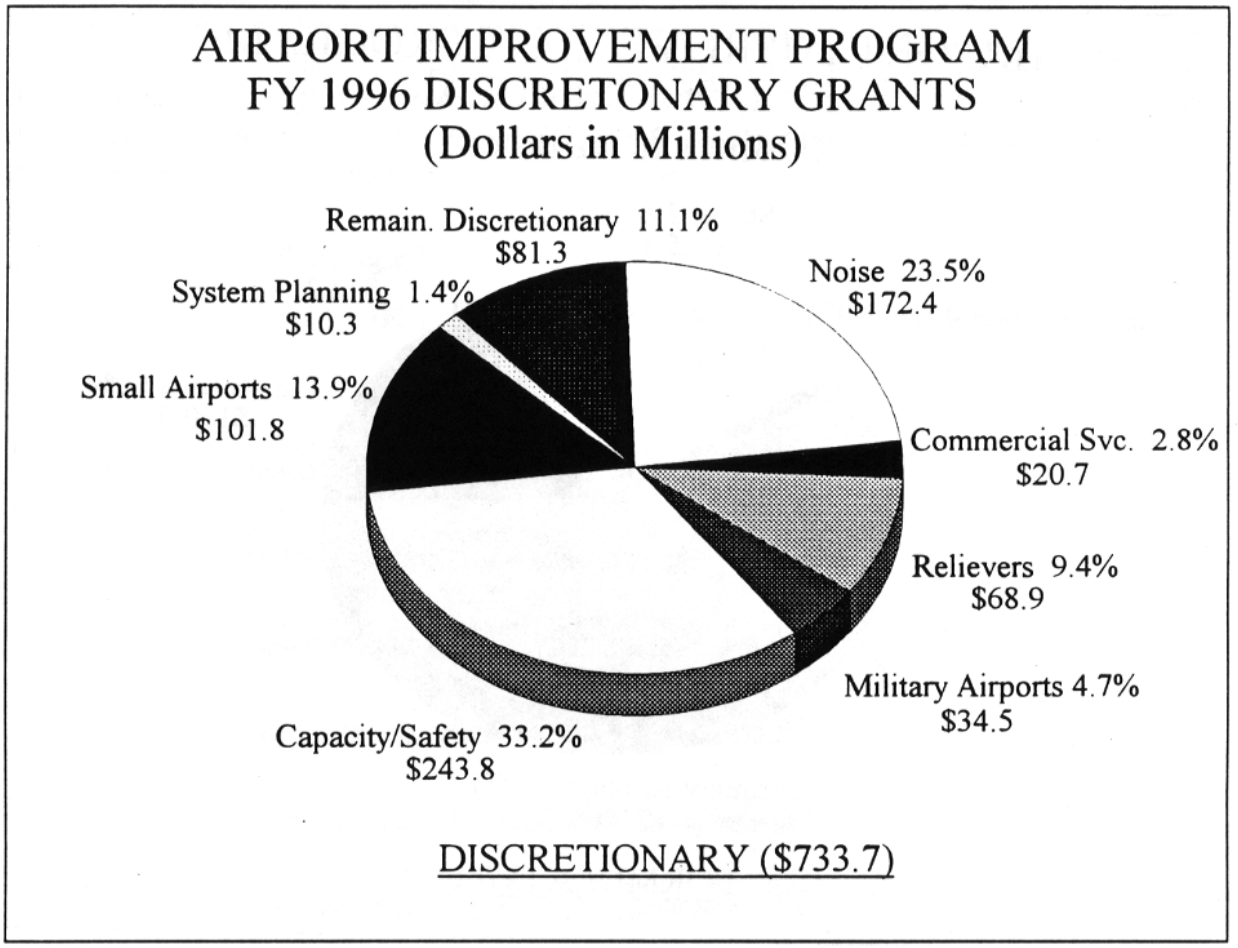
AIRPORT IMPROVEMENT PROGRAM
FY 1996 DISCRETONARY GRANTS
(Dollars in Millions)
Remain. Discretionary 11.1%
$81.3
Noise 23.5%
$172.4
System Planning 1.4%
$10.3
Small Airports 13.9%
$101.8
Commercial Svc. 2.8%
$20.7
Relievers 9.4%
$68.9
Military Airports 4.7%
$34.5
Capacity/Safety 33.2%
$243.8
DISCRETIONARY ($733.7)

Figure 9

FACILITIES AND EQUIPMENT

FACILITIES AND EQUIPMENT

For FY 1996, $1.908 billion, a 9 percent decrease (-$179 million) from FY 1995 as enacted, is requested in the Facilities and Equipment (F&E) appropriation to fund planned facility improvements, equipment development and procurement, and the necessary technical support for systems installation. The funding requested for FY 1996 supports the FAA's comprehensive Capital Investment Plan (CIP) to modernize and improve the National Airspace System (NAS) to accommodate demands for aviation services, and maximize operational efficiency, constrain costs, modernize automation and communication technology and systems, and deal with aging facilities.

In this year's budget request, the advanced automation system (AAS) has been segregated into three parts en route, terminal, and tower, to increase program accountability for "like" products. Additionally related en route, terminal, and tower automation programs have been joined with their respective AAS program elements and mirror the new management structure for air traffic control systems. Funds requested for FY 1996 will continue the implementation of modernization projects such as the en route, terminal, and tower automation programs designed to upgrade the national airspace system's air traffic control computer technology and the voice switching and control system (VSCS) designed to modernize the outdated communications network, and funding to sustain the existing infrastructure of various agency facilities.

Major FY 1996 programs are ($ in Millions)

En Route Automation Program	$317.4
Voice Switching and Control System (VSCS)	112.7
Systems Engineering and Development Support	72.4
Wide Area Augmentation System (WAAS) for GPS	86.9
Terminal Air Traffic Control Facilities - Replace	60.4
Flight Inspection Aircraft Procurement	55.0
Technical Services Support Contract (TSSC)	62.2
Transition Engineering and Support	50.0

The F&E budget consists of five activities which fund the FAA's effort to modernize and improve air traffic control systems and facility improvements. Summaries of these activities follow.

ENGINEERING, DEVELOPMENT, TEST, AND EVALUATION

This Activity includes programs which have migrated from the R,E&D appropriation, programs requiring developmental efforts that were initiated in F&E and will continue in F&E (grandfathered), and those programs that are in acquisition phases prior to Key Decision Point 4 (KDP-4) consistent with the Office of Management and Budget (OMB) circular A-109. The funds requested would initiate or continue programs currently undergoing mission need determination, alternative design concept exploration and identification, or full scale development and limited production. This effort does not duplicate any R,E&D program work.

To maintain an acceptable level of service in the face of the growing volume of traffic, a number of deficiencies in the current system must be addressed. The en route automation program will, over time, overcome these deficiencies and provide additional benefits to the users. The display system replacement (DSR) will replace aging and unsupportable display system equipment is the first priority. The DSR program will begin delivering equipment in FY 1997 with an initial operating capability in FY 1998. Also in the near term, the display channel complex replacement (DCCR) will provide a low risk option to rehost existing display software on new commercial off the shelf computers. In the terminal automation program will provide new automation systems for the terminal environment through the stand-alone terminal automation replacement system (STARS). In the tower automation program, the tower control computer complex automation project will consolidate various tower cab and air traffic control systems into a single uniform and efficient computer-human interface; provide additional functionality to tower air traffic control that will provide user economic benefits and improve controller efficiency; and provide an extensible computer platform to accommodate future tower enhancements and systems.

PROCUREMENT AND MODERNIZATION OF AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

Initiatives in this activity will reduce delays and improve safety at congested airports. In addition, the FAA must invest in the necessary infrastructure to support local airport improvement projects to ensure that added demand for airspace and airport capacity is met efficiently. The Voice Switching and Control System (VSCS) will provide a voice communications system which performs the intercom, interphone, and air/ground voice connectivity and control functions needed for air traffic control operations and will reduce leased costs, increase modularity and growth capability, and increase controller productivity over current services. In FY 1996, VSCS is scheduled to become operational at 12 sites while delivery will be made to the final nine sites. Also included is the wide area augmentation system (WAAS) for the global positioning system (GPS). In FY 1996, funding is requested to continue the procurement of WAAS initial operational system including two wide area master stations, six leased ground earth stations, three leased communication satellites, 24 wide area reference stations, a terrestrial communications network, and associated software.

This activity also includes the acquisition and modification of aircraft which support the agency flight inspection of navigational aids, training, support, and research and development functions, and the procurement and installation of equipment related to the mission-readiness of the FAA fleet of aircraft. Funds are requested to procure and equip agency aircraft with VHF Interference Canceler systems and continue the development and implementation of flight inspection system enhancements.

Other programs funded in this activity include the modernization and improvement of existing buildings and plant equipment which house and support NAS navigation, communications, surveillance, and visual/electronic landing systems. Also funded under this activity is the removal of leaking fuel storage tanks , site cleanup, and disposal of tanks, engine generators, and associated electrical equipment.

PROCUREMENT AND MODERNIZATION OF NON-AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

This activity includes general facility support requirements which apply to a wide range of FAA installations. A national program has been established to ensure that all FAA facilities meet existing and future Federal, State, and local environmental regulations for the cleanup of hazardous substances resulting from FAA activities. Funds requested will assess the severity of the problem, and, if environmental damage has occurred, feasibility studies will be conducted to determine the extent of contamination the best technology to be used for cleanup.

FACILITIES AND EQUIPMENT MISSION SUPPORT

This activity includes system engineering and integration and transition engineering support contracts which provide technical and management support in all phases of CIP implementation schedules.

PERSONNEL AND RELATED EXPENSES

Funding for all personnel compensation, benefits, travel and related expenses associated with the Facilities and Equipment programs are budgeted under one consolidated activity. These funds directly support FAA personnel who are primarily responsible for NAS equipment installation and implementation.

In FY 1996, the FAA is requesting a total of $222.0 million to support the F&E workforce. The request level includes an increase to support growing travel requirements associated with engineering, installation, and testing of new NAS equipment and systems. Of the $222.0 million requested, $15.0 million will support permanent change of station (PCS) costs directly associated with the actual consolidation or opening of various NAS facilities. Consistent with direction provided by Congress during the FY 1995 appropriations process, funding for these PCS moves is separately identified and requested in budget activity four.

FACILITIES AND EQUIPMENT

ACTIVITY 1. ENGINEERING, DEVELOPMENT, TEST AND EVALUATION

A. EN ROUTE PROGRAMS

FY 1995 APPR	FY 1996 CONG		FY 1995 ENACTED	FY 1996 PRESIDENT'S BUDGET
1A01	1A01	AVIATION WEATHER SERVICES IMPROVEMENTS	23,500.0	13,700.0
1A02	1A02	EN ROUTE AUTOMATION PROGRAM	409,500.0	317,400.0
1A03	1A03	OCEANIC AUTOMATION SYSTEM	36,300.0	47,100.0
1A04	1A04	VOICE SWITCHING AND CONTROL SYSTEM (VSCS) - EDT&E	24,000.0	11,000.0
1A05		AERONAUTICAL DATA LINK (ADL)	23,800.0	
		SUBTOTAL - EN ROUTE PROGRAMS	**517,100.0**	**389,200.0**

B. TERMINAL PROGRAMS

1B01	1B01	AIRPORT SURVEILLANCE RADAR (ASR)	3,000.0	14,300.0
	1B02	REMOTE MAINTENANCE MONITORING (RMMS) - SUSTAIN		3,000.0
	1B03	TERMINAL AUTOMATION PROGRAM		31,600.0
	1B04	TOWER AUTOMATION PROGRAM		29,500.0
		SUBTOTAL - TERMINAL PROGRAMS	**3,000.0**	**78,400.0**

D. LANDING AND NAVIGATIONAL AIDS PROGRAMS

E. RESEARCH, TEST AND EVALUATION EQUIPMENT AND FACILITIES

	1E01	INDEPENDENT OPERATIONAL TEST AND EVALUATION (IOT&E) SUPPORT		1,500.0
1E01	1E02	FAA TECHNICAL CENTER FACILITY - TECHNICAL BUILDING LEASE	5,290.0	5,290.0
1E02	1E03	UTILITY PLANT MODIFICATIONS	1,200.0	1,560.0
	1E04	GENERAL AIRPORT IMPROVEMENTS		150.0
1E03	1E05	NAS IMPROVEMENT OF SYSTEM SUPPORT LABORATORY	4,500.0	2,000.0
1E04	1E06	TECHNICAL CENTER FACILITIES	9,000.0	9,600.0
	1E07	TECHNICAL CENTER FIBER DATA DISTRIBUTION INTERFACE		2,000.0
1E07	1E08	CAMI INFRASTRUCTURE - MODERNIZATION	2,900.0	600.0
	1E09	CABIN RESEARCH FACILITY CONSTRUCTION		500.0
1E05		TECHNICAL CENTER TEST EQUIPMENT	300.0	
1E06		PRECISION AUTOMATED TRACKING SYSTEM	1,400.0	
		SUBTOTAL, RESEARCH, TEST AND EVALUATION EQUIPMENT AND FACILITIES	**24,590.0**	**23,200.0**
		TOTAL ACTIVITY 1	**544,690.0**	**490,800.0**

ACTIVITY 2. AIR TRAFFIC CONTROL FACILITIES AND EQUIPMENT

A. EN ROUTE PROGRAMS

FY 1995 APPR	FY 1996 CONG		FY 1995 ENACTED	FY 1996 PRESIDENT'S BUDGET
2A01	2A01	LONG RANGE RADAR (LRR) PROGRAM - REPLACE	14,100.0	12,800.0
2A03	2A02	RADAR MICROWAVE LINK (RML) SYSTEM REPLACEMENT/EXPANSION	8,000.0	1,000.0
2A04	2A03	NEXT GENERATION WEATHER RADAR (NEXRAD) - PROVIDE	62,000.0	10,800.0
2A05	2A04	AIR TRAFFIC CONTROL EN ROUTE RADAR FACILITIES IMPROVEMENTS	8,898.0	17,700.0
2A07	2A05	EN ROUTE AUTOMATION PROGRAM	10,300.0	17,700.0
	2A06	AIR TRAFFIC OPERATIONS MANAGEMENT SYSTEM (ATOMS)		1,000.0
2A08	2A07	WEATHER AND RADAR PROCESSOR (WARP)	0.0	7,800.0
2A09	2A08	AERONAUTICAL DATA LINK (ADL) APPLICATIONS	0.0	15,000.0
2A12	2A09	ARTCC BUILDING IMPROVEMENTS/PLANT IMPROVEMENTS	21,000.0	42,100.0
2A13	2A10	VOICE SWITCHING AND CONTROL SYSTEM (VSCS)	184,500.0	112,700.0
2A14	2A11	REMOTE COMMUNICATIONS FACILITIES (RCF) - EXPAND/RELOCATE	5,400.0	1,000.0
2A15	2A12	TRAFFIC FLOW MANAGEMENT	8,800.0	28,500.0
2A16	2A13	DATA MULTIPLEXING NETWORK (DMN)	5,500.0	7,900.0
2A17	2A14	CRITICAL COMMUNICATIONS SUPPORT	10,700.0	3,000.0
2A18	2A15	EN ROUTE COMMUNICATIONS AND CONTROL FACILITIES IMPROVEMENT	6,689.0	3,181.0
2A20	2A16	SATELLITE COMMUNICATIONS CIRCUIT BACK-UP	1,500.0	4,000.0
2A21	2A17	DOD BASE CLOSURE - FACILITY TRANSFER	5,000.0	5,000.0
2A26	2A18	BACK-UP EMERGENCY COMMUNICATIONS (BUEC) - INTERIM	2,000.0	2,000.0
2A06		TOWER AUTOMATION PROGRAM	8,800.0	0.0
2A10		EN ROUTE AUTOMATION EQUIPMENT - IMPROVE	4,000.0	0.0
2A11		OCEANIC AUTOMATION SYSTEM	0.0	0.0
2A25		PERFORMANCE MONITORING ANALYSIS SYSTEM	1,000.0	0.0
2A02		ARSR-3 LEAP FROG PROGRAM		
2A19		NADIN II ENHANCEMENTS - PROVIDE	3,800.0	
2A22		CENTRAL ALTITUDE RESERVATION FUNCTION (CARF)	1,500.0	
2A23		DISPLAY CHANNEL COMPLEX REHOST	2,000.0	
2A24		EN ROUTE ANALYSIS AND REPORTING SYSTEM	500.0	
		SUBTOTAL - EN ROUTE PROGRAMS	**375,987.0**	**253,181.0**

FACILITIES AND EQUIPMENT

B. TERMINAL PROGRAMS

FY 1995 APPR	FY 1996 CONG		FY 1995 ENACTED	FY 1996 PRESIDENT'S BUDGET
2B02	2B01	TERMINAL DOPPLER WEATHER RADAR (TDWR) - PROVIDE	25,000.0	4,900.0
2B03	2B02	MODE S - PROVIDE	24,900.0	12,700.0
2B04	2B03	TERMINAL AUTOMATION PROGRAM	2,700.0	22,800.0
2B28	2B04	AIRPORT MOVEMENT AREA SAFETY SYSTEM (AMASS)	10,000.0	11,300.0
2B08	2B05	REMOTE MAINTENANCE MONITORING SYSTEM (RMMS) - PROVIDE	10,000.0	27,500.0
2B09	2B06	TERMINAL AIR TRAFFIC CONTROL FACILITIES - REPLACE	40,250.0	60,400.0
2B10	2B07	AIR TRAFFIC CONTROL TOWER (ATCT)/TRACON FACILITIES - IMPROVE	14,400.0	25,664.0
	2B08	METROPLEX CONTROL FACILITY - ADVANCED FACILITY PLANNING	0.0	2,000.0
2B11	2B09	EMERGENCY TRANSCEIVERS - REPLACEMENT	3,000.0	2,000.0
2B12	2B10	TERMINAL VOICE SWITCH REPLACEMENT (TVSR)	15,500.0	7,000.0
2B13	2B11	RADIO CONTROL EQUIPMENT (RCE) - PROVIDE	9,600.0	1,100.0
2B18	2B12	TERMINAL RADAR (ASR) - IMPROVE	3,898.0	3,506.0
2B15	2B13	AIRPORT SURFACE DETECTION EQUIPMENT (ASDE) - ADDITIONAL ESTABLISHMENT	7,000.0	8,800.0
2B20	2B14	POTOMAC PROJECT METROPLEX	2,800.0	12,600.0
2B23	2B15	EMPLOYEE SAFETY FOR AIRPORT TRAFFIC CONTROL FACILITIES	31,300.0	23,000.0
	2B16	ARTS IIIA DATA ENTRY/DISPLAY		1,000.0
	2B17	CHICAGO METROPLEX - LIMITED CONSOLIDATION		1,000.0
2B19	2B18	DALLAS/FORT WORTH METROPLEX PROGRAM	5,500.0	13,000.0
2B25	2B19	PRECISION RUNWAY MONITORS	15,000.0	1,200.0
2B27	2B20	NEW AUSTIN AIRPORT AT BERGSTROM	18,500.0	14,800.0
2B26	2B21	SOUTHERN CALIFORNIA METROPLEX	0.0	2,000.0
	2B22	INTEGRATED NETWORK MANAGEMENT SYSTEM		300.0
2B24	2B23	TERMINAL COMMUNICATIONS IMPROVEMENTS	2,677.0	3,495.0
2B05		TERMINAL SOFTWARE DEVELOPMENT SUPPORT	4,000.0	0.0
2B07		ARTS IIIE UPGRADES FOR SELECTED AIR TRAFFIC FACILITIES - PROVIDE	15,000.0	0.0
2B17		TERMINAL AIR TRAFFIC CONTROL AUTOMATION (TATCA)	13,000.0	0.0
2B01		AIRPORT SURVEILLANCE RADAR (ASR)	18,000.0	
2B06		CHICAGO TERMINAL RADAR APPROACH CONTROL (TRACON) RELOCATION	2,400.0	
2B14		RUNWAY STATUS LIGHT SYSTEM	4,000.0	
2B16		ARTS IIA MODE C INTRUDER CAPABILITY AND VIDEO COMPRESSION	9,400.0	
2B21		NORTHERN CALIFORNIA METROPLEX	1,500.0	
2B22		ATLANTA METROPLEX	1,500.0	
		SUBTOTAL - TERMINAL PROGRAMS	**310,825.0**	**262,065.0**

C. FLIGHT SERVICE PROGRAMS

FY 1995 APPR	FY 1996 CONG		FY 1995 ENACTED	FY 1996 PRESIDENT'S BUDGET
2C01	2C01	FLIGHT SERVICE STATION (FSS) AUTOMATION	8,000.0	1,000.0
2C02	2C02	AUTOMATED SURFACE OBSERVING SYSTEM (ASOS)	37,200.0	24,500.0
2C04	2C03	FSAS OPERATIONAL AND SUPPORTABILITY IMPLEMENTATION SYSTEM (OASIS)	2,000.0	18,700.0
2C05	2C04	FLIGHT SERVICE FACILITIES IMPROVEMENT	2,289.0	805.0
2C03		WIDE AREA AUGMENTATION SYSTEM (WAAS) FOR GPS	67,900.0	0.0
		SUBTOTAL - FLIGHT SERVICE PROGRAMS	**117,389.0**	**45,005.0**

D. LANDING AND NAVIGATIONAL AIDS PROGRAM

2D01	2D01	VOR/DME/TACAN NETWORK PLAN	623.0	1,000.0
2D03	2D02	ILS - REPLACE MARK 1A, 1B, AND 1C	6,000.0	6,900.0
2D04	2D03	INSTRUMENT LANDING SYSTEM (ILS) - ESTABLISH/UPGRADE	20,100.0	30,000.0
2D05	2D04	VISUAL NAVAIDS - ESTABLISH/EXPAND	2,565.0	2,000.0
	2D05	LOW LEVEL WINDSHEAR ALERT SYSTEM (LLWAS) - UPGRADE TO PHASE III		1,000.0
2D06	2D06	RUNWAY VISUAL RANGE (RVR)	2,500.0	2,000.0
2D08	2D07	INSTRUMENT APPROACH PROCEDURES AUTOMATION (IAPA)	1,000.0	900.0
2D09	2D08	GULF OF MEXICO OFFSHORE PROGRAM	8,500.0	4,900.0
	2D09	ILS - REPLACE GRN 27		6,900.0
	2D10	WIDE AREA AUGMENTATION SYSTEM (WAAS) FOR GPS		86,900.0
	2D11	NAVIGATIONAL AND LANDING AIDS - IMPROVE		3,864.0
2D02		APPROACH LIGHTING SYSTEM IMPROVEMENT PROGRAM (ALSIP)	2,000.0	
2D07		ILS - REPLACE WILCOX CAT II/III	11,600.0	
		SUBTOTAL - LANDING AND NAVIGATIONAL AIDS	**54,888.0**	**146,364.0**

E. OTHER ATC FACILITIES PROGRAMS

FY 1995 APPR	FY 1996 CONG		FY 1995 ENACTED	FY 1996 PRESIDENT'S BUDGET
2E01	2E01	ALASKAN NAS INTERFACILITY COMMUNICATIONS SYSTEM (ANICS)	5,000.0	5,900.0
2E02	2E02	FUEL STORAGE TANK REPLACEMENT AND MONITORING	10,500.0	25,000.0
2E03	2E03	FAA BUILDINGS AND EQUIPMENT - IMPROVE/MODERNIZE	11,645.0	7,232.0
2E04	2E04	ELECTRICAL POWER SYSTEMS - SUSTAIN/SUPPORT	5,000.0	5,400.0
2E05	2E05	AIR NAVIGATIONAL AIDS AND ATC FACILITIES (LOCAL PROJECTS)	6,000.0	2,500.0
2E06	2E06	AIR NAVIGATION FACILITY/ATC SYSTEM SUPPORT - PROVIDE	9,000.0	4,500.0
2E07	2E07	PURCHASE LAND OR EASEMENT FOR EXISTING FACILITIES	1,500.0	1,500.0
2E08	2E08	AIRCRAFT RELATED EQUIPMENT PROGRAM	6,000.0	4,900.0
2E09	2E09	AIRCRAFT FLEET MODERNIZATION	50,000.0	55,000.0
2E11	2E10	AIRPORT CABLE LOOP SYSTEMS - SUSTAINED SUPPORT	6,113.0	2,000.0
2E12	2E11	COMPUTER AIDED ENGINEERING GRAPHICS (CAEG) REPLACEMENT	1,000.0	1,500.0
2E10		AIR TRAFFIC CONTROLLER CHAIRS - REPLACE	1,000.0	
		SUBTOTAL - OTHER ATC FACILITY PROGRAMS	**112,758.0**	**115,432.0**
		TOTAL ACTIVITY 2	**971,847.0**	**862,047.0**

ACTIVITY 3. NON-ATC FACILITIES AND EQUIPMENT

A. SUPPORT EQUIPMENT

3A02	3A01	NAS MANAGEMENT AUTOMATION PROGRAM (NASMAP)	4,500.0	2,000.0
3A03	3A02	HAZARDOUS MATERIALS MANAGEMENT	15,000.0	22,100.0
	3A03	NATIONAL AIRSPACE SYSTEM RECOVERY COMMUNICATIONS (RCOM)		2,000.0
3A04	3A04	AVIATION SAFETY ANALYSIS SYSTEM (ASAS)	15,392.0	19,400.0
3A05	3A05	OPERATIONAL DATA MANAGEMENT SYSTEM (ODMS)	5,000.0	4,900.0
3A06	3A06	CHILD CARE FACILITIES	4,400.0	2,600.0
3A07	3A07	FAA EMPLOYEE HOUSING - PROVIDE	8,000.0	4,900.0
3A08	3A08	LOGISTICS SUPPORT SYSTEM AND FACILITIES	5,000.0	2,000.0
3A09	3A09	TEST EQUIPMENT - MAINTENANCE SUPPORT FOR REPLACEMENT	4,000.0	1,000.0
3A11	3A10	INTEGRATED FLIGHT QUALITY ASSURANCE	2,500.0	1,000.0
3A12	3A11	SAFETY PERFORMANCE ANALYSIS SUBSYSTEM (SPAS)	7,400.0	3,200.0
3A13	3A12	PERFORMANCE ENHANCEMENT SYSTEMS (PENS)	2,543.0	2,100.0
3A14	3A13	NATIONAL AVIATION SAFETY DATA ANALYSIS CENTER (NASDAC)	4,000.0	2,000.0
3A01		AUTOMATED DATA PROCESSING (ADP) FACILITIES MANAGEMENT (CORN)	20,600.0	
3A10		RADIO FREQUENCY INTERFERENCE (RFI) VANS	2,300.0	
3A15		AIRPORT DATUM MONUMENT PROGRAM	1,500.0	
		SUBTOTAL - SUPPORT EQUIPMENT	**102,135.0**	**69,200.0**

B. TRAINING, EQUIPMENT AND FACILITIES

FY 1995 APPR	FY 1996 CONG		FY 1995 ENACTED	FY 1996 PRESIDENT'S BUDGET
3B01	3B01	COMPUTER BASED INSTRUCTION /DISTANCE LEARNING	4,500.0	8,800.0
3B02	3B02	AERONAUTICAL CENTER TRAINING AND SUPPORT FACILITIES	7,500.0	6,900.0
3B03	3B03	NATIONAL AIRSPACE SYSTEM (NAS) TRAINING FACILITIES	6,000.0	3,000.0
		SUBTOTAL - TRAINING, EQUIPMENT AND FACILITIES	**18,000.0**	**18,700.0**
		TOTAL ACTIVITY 3	**120,135.0**	**87,900.0**

ACTIVITY 4, MISSION SUPPORT

A. SYSTEM SUPPORT AND SERVICES

4A01	4A01	SYSTEM ENGINEERING AND DEVELOPMENT SUPPORT	74,000.0	72,400.0
4A12	4A02	PROGRAM SUPPORT LEASES	19,217.0	27,000.0
4A02	4A03	LOGISTICS SUPPORT SERVICES	8,000.0	7,000.0
4A03	4A04	MIKE MONRONEY AERONAUTICAL CENTER - LEASE	14,800.0	15,000.0
4A04	4A05	IN-PLANT NAS CONTRACT SUPPORT SERVICES	5,700.0	4,900.0
4A05	4A06	TRANSITION ENGINEERING SUPPORT	50,000.0	50,000.0
4A07	4A07	FREQUENCY AND SPECTRUM ENGINEERING - PROVIDE	1,600.0	1,300.0
4A08	4A08	ACQUISITION OVERSIGHT	0.0	400.0
4A09	4A09	FAA SYSTEM ARCHITECTURE	2,000.0	4,900.0
4A10	4A10	TECHNICAL SERVICES SUPPORT CONTRACT (TSSC)	61,000.0	62,200.0
	4A11	PERMANENT CHANGE OF STATION (PCS)		15,000.0
4A06		NATIONAL AIRSPACE LOGISTICS SUPPORT (NAILS)	5,000.0	
4A11		PROGRAM SUPPORT SERVICES	1,000.0	
		TOTAL ACTIVITY 4	**242,317.0**	**260,100.0**

5ALL		PERSONNEL AND RELATED EXPENSES	**208,500.0**	**207,000.0**
		TOTAL	***2,087,489.0***	***1,907,847.0***

FACILITIES AND EQUIPMENT

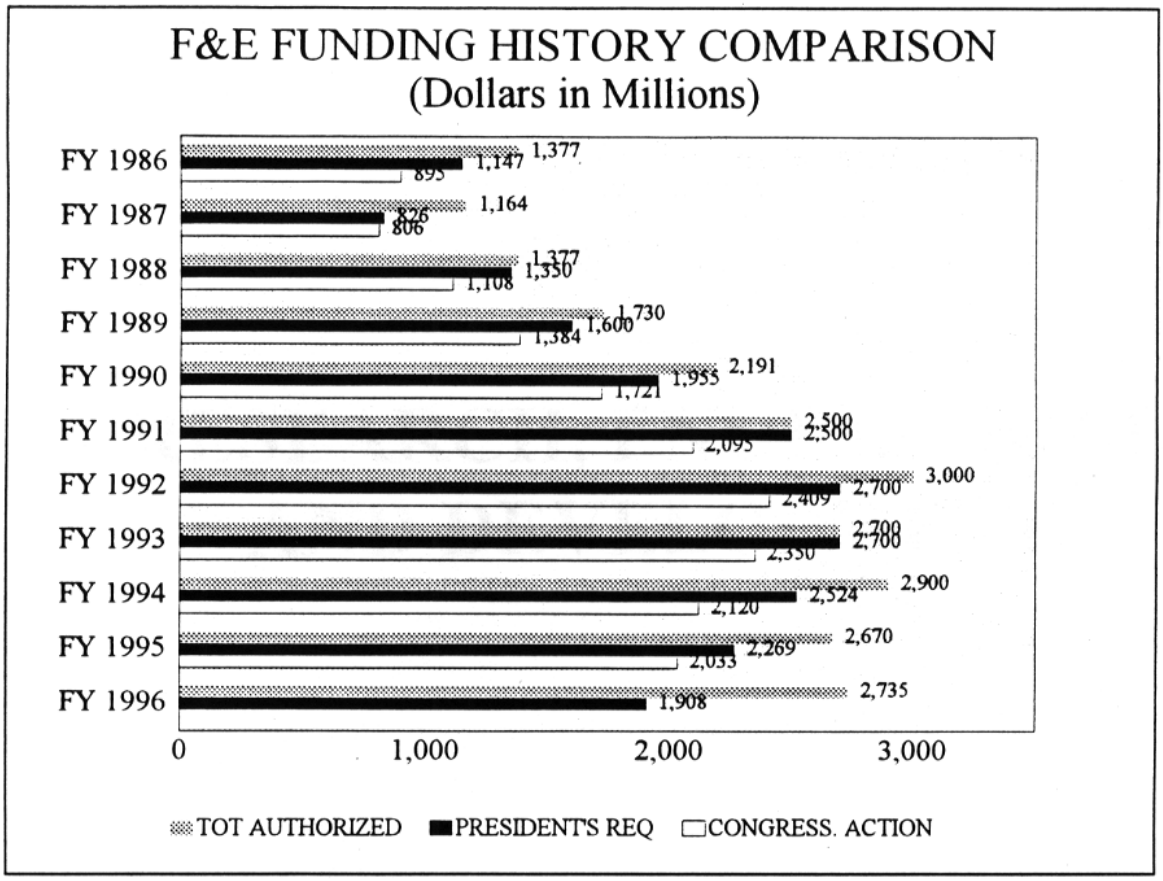

Figure 10

RESEARCH, ENGINEERING AND DEVELOPMENT

For FY 1996, $268 million, a three percent increase ($9 million) over the FY 1995 enacted level, is requested to support the Research, Engineering and Development (R,E&D) program. The R,E&D budget continues to foster new and innovative improvements in meeting the challenges of tomorrow's growing demands on our aviation system, limited capacity, changing work force, security threats and provides for a balanced increase in research in the development of new and across all ongoing technologies.

FAA's R,E&D program is an investment in the current and future air traffic control (ATC) system of the 21st Century which provides safe and efficient travel and commerce to the U.S. public and industry; new technologies indirectly strengthening the financial condition of the U.S. air carriers; and contributes to market stimulation and the creation of new markets nationally and internationally. The economic benefits of an ATC oriented R,E&D program are enormous for fuel conservation, operating costs, and maintaining world preeminence in ATC systems and safety. In addition, needed capacity improvements can be derived from ATM, TATCA, Oceanic, Data Link, AT Models, and simulation activities; pressures from the European community on increasing noise standards will be addressed by the environment and energy program; and human factors initiatives will lead to further safety and efficiency.

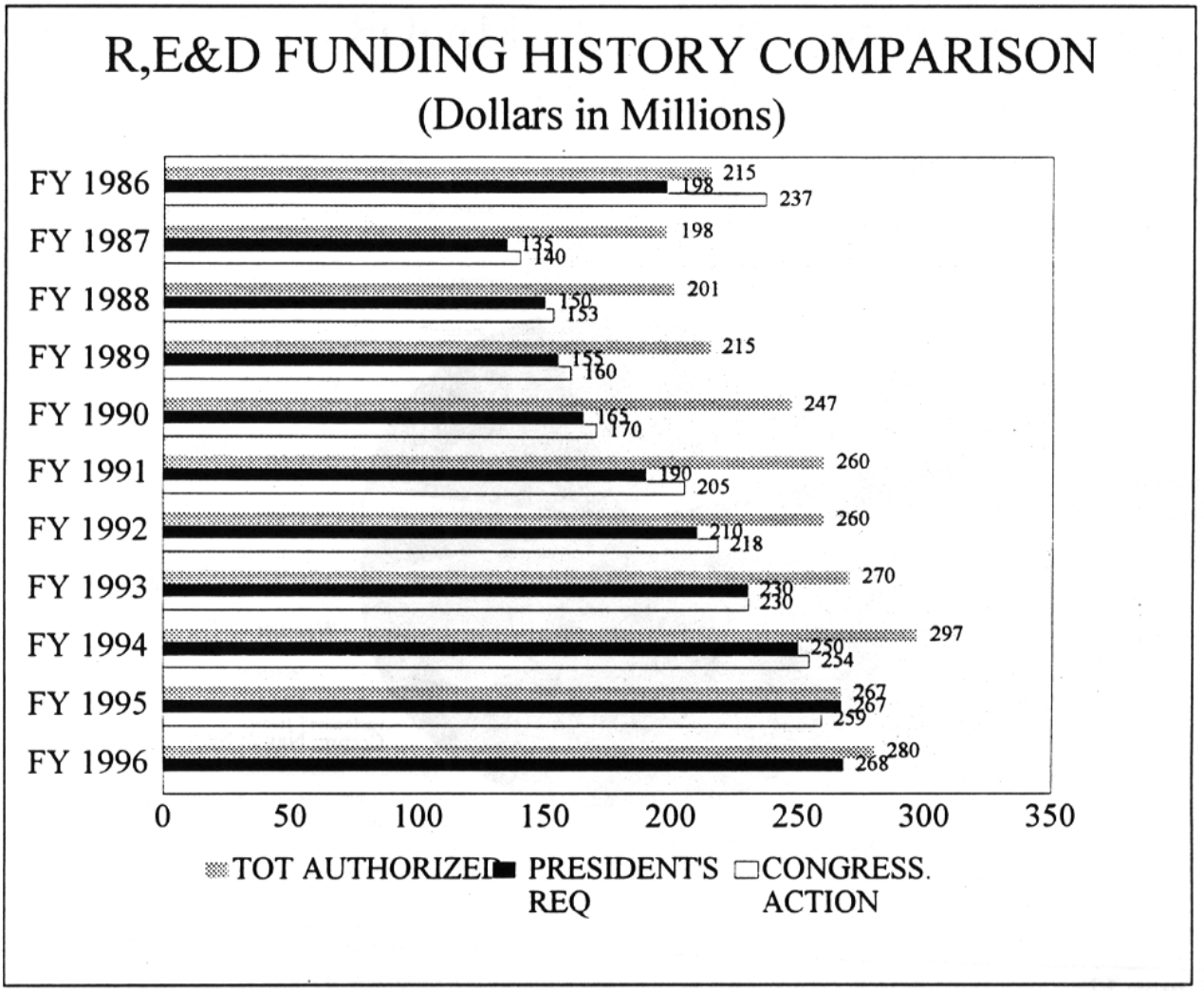
R,E&D FUNDING HISTORY COMPARISON
(Dollars in Millions)
FY 1986
FY 1987
FY 1988
FY 1989
FY 1990
FY 1991
FY 1992
FY 1993
FY 1994
FY 1995
FY 1996
215
198
237
198
135
140
201
150
153
215
155
160
247
165
170
260
190
205
260
210
218
270
230
230
297
250
254
267
287
259
280
268
0
50
100
150
200
250
300
350
TOT AUTHORIZED
PRESIDENT'S REQ
CONGRESS. ACTION

Figure 11

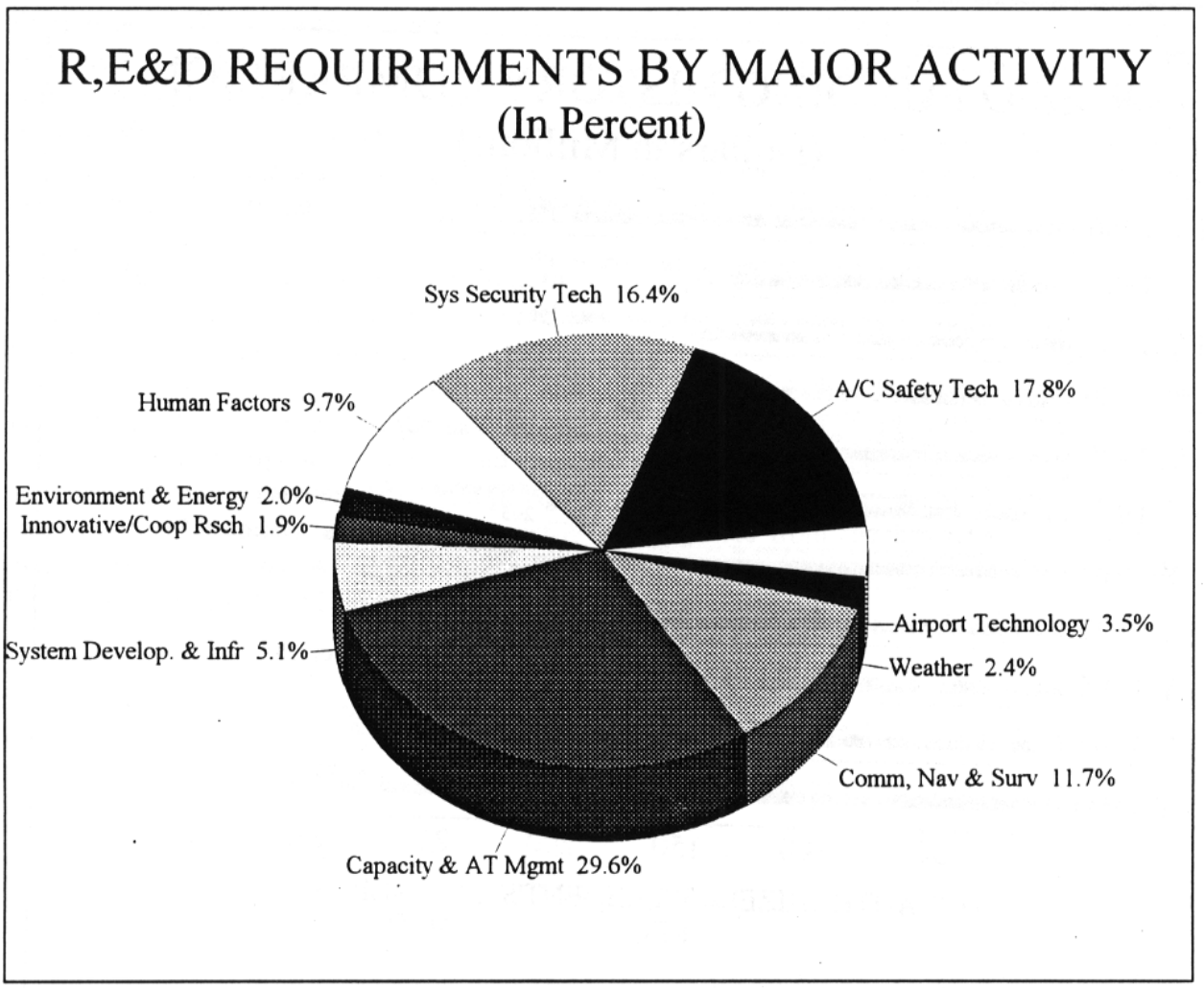
R,E&D REQUIREMENTS BY MAJOR ACTIVITY
(In Percent)
Sys Security Tech 16.4%
A/C Safety Tech 17.8%
Human Factors 9.7%
Environment & Energy 2.0%
Innovative/Coop Rsch 1.9%
Airport Technology 3.5%
System Develop. & Infr 5.1%
Weather 2.4%
Comm, Nav & Surv 11.7%
Capacity & AT Mgmt 29.6%

Figure 12

RESEARCH, ENGINEERING & DEVELOPMENT

Table 8

Research, Engineering & Development
Summary of Requirements by Activity/Program
(Dollars in Thousands)

	Program Areas/ Program	FY 1995 Enacted	FY 1996 Request
1	System Development and Infrastructure	9,423	13,551
	a. System Planning and Resource Management	3,623	3,953
	b. Technical Laboratory Facility	5,800	9,598
2	Capacity & Air Traffic Management Technology	76,983	79,205
	a. Air Traffic Management Technology	9,174	9,875
	b. Oceanic Automation Program	10,649	10,470
	c. Terminal ATC Automation (TATCA)	16,891	15,624
	d. Runway Incursion Reduction	8,099	8,177
	e. System Capacity, Planning & Improvements	12,082	12,256
	f. Cockpit Technology	4,820	8,266
	g. General Aviation & Vertical Flight Technology Program	4,837	3,327
	h. Modeling, Analysis and Simulation	9,631	7,807
	i. Future Airway Facilities Maintenance Technology	800	3,403
3	Communications, Navigation & Surveillance	36,964	31,330
	a. Communications	18,080	15,367
	b. Navigation	14,922	15,963
	c. Surveillance	3,962	0
4	Weather	2,909	6,493
5	Airport Technology	8,200	9,278
6	Aircraft Safety Technology	47,086	47,547
	a. Aircraft Systems Fire Safety	1,200	3,906
	b. Advanced Materials/Structural Safety	5,245	2,973
	c. Propulsion and Fuel Systems	3,436	4,059
	d. Flight Safety/Atmospheric Hazards Research	5,000	4,173
	e. Aging Aircraft	25,000	21,415
	f. Aircraft Catastrophic Failure Prevention Research	2,705	4,357
	g. Fire Research	4,500	4,604
	h. General Aviation Renaissance	0	1,005
	i. Cabin Safety	0	1,055
7	System Security Technology	35,627	43,808
	a. Explosives/Weapons Detection	23,675	33,179
	b. Airport Security Technology Integration	1,000	2,530
	c. Aviation Security Human Factors	3,124	4,603
	d. Aircraft Hardening	7,828	3,496
8	Human Factors and Aviation Medicine	32,000	25,860
	a. Flight Deck/Maintenance/System Integration Human Factors	16,508	11,182
	b. Air Traffic Control/Airway Facilities Human Factors	11,259	10,193
	c. Aeromedical Research	4,233	4,485
9	Environment and Energy	5,200	5,429
10	Innovative/Cooperative Research	4,800	5,160
	TOTAL, R,E&D	259,192	267,661

AIRPORT AND AIRWAY TRUST FUND

TRUST FUND SHARE OF FAA COSTS

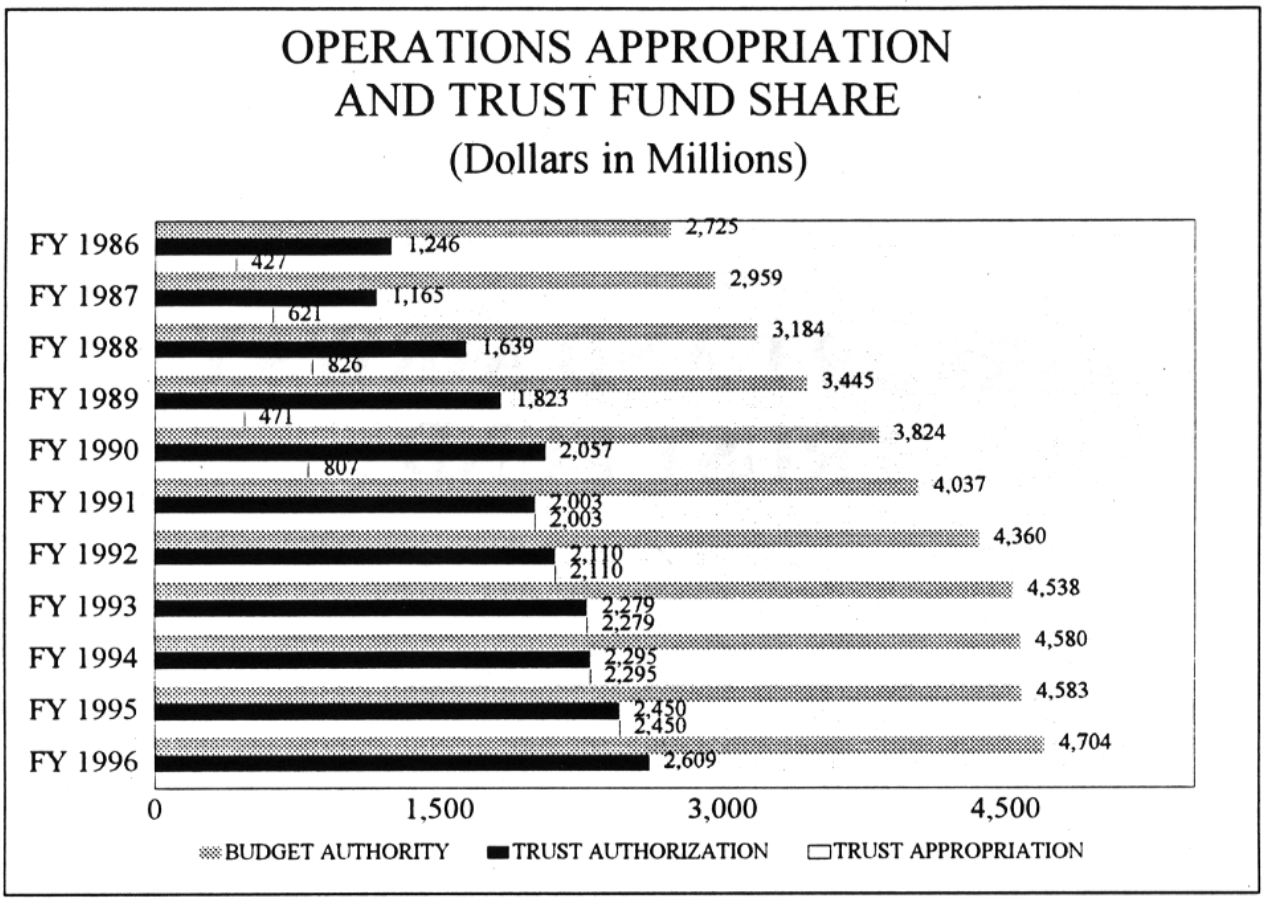

Figure 13

AIRPORT AND AIRWAY TRUST FUND

Table 9

Amounts Available for Appropriation
(Dollars in Thousands)

	FY 1994	"EST" FY 1995	"EST" FY 1996
Unexpended balance brought forward:			
U.S. securities (par)	12,671,637	12,206,426	11,887,668
Cash	179,252	179,781	120,300
Balance of fund, start of year	12,850,889	12,386,207	12,007,968
Cash income during the year:			
Government receipts:			
From excise taxes:			
Passenger ticket tax	4,528,188	4,829,280	5,098,080
Waybill tax	283,858	325,470	352,720
Fuel tax	187,163	195,120	203,990
F&E Offsetting Collections	55,631	121,176	124,205
RE&D Offsetting Collections	94	1,549	1,588
International departure tax	218,117	233,180	247,130
Refund of Taxes	(28,060)	(21,300)	(24,700)
Intrabudgetary transaction:			
Interest on investments	837,282	808,900	771,800
Total annual income	6,082,273	6,493,375	6,774,813
Cash outlay during the year:			
Federal Aviation Administration:			
Grants-in-aid for airports	1,619,615	1,785,000	1,593,900
Facilities and equipment	2,378,107	2,019,000	2,010,000
Research, engineering and development	225,994	281,300	285,000
F&E Offsetting Collections	55,631	121,176	124,205
RE&D Offsetting Collections	94	1,549	1,588
Operations	2,198,896	2,545,854	2,609,123
OST: Payment to Air Carriers	31,505	26,249	13,369
OST: Payment to Air Carriers Rescission		(2,940)	(1,960)
OST: GSA Rent	37,114	39,426	41,441
Unified transportation infrastructure Account			268,799
Grants in Aid for Airports Reinvent Proposal			(270,045)
Total annual outlays	6,546,956	6,816,614	6,675,420

FY 1995 FUNDING

FISCAL YEAR 1995 FUNDING

Table 10

AMOUNTS AVAILABLE IN FY 1995
(Dollars in Millions)

	FY 1995 President's Budget	FY 1995 Enacted	Difference
Budget Authority			
Operations	$4,580.9	$4,582.5	$1.6
General	(2,201.7)	(2,132.3)	-69.4
Trust	(2,379.2)	(2,450.2)	71.0
Grants-in-Aid to Airports Obligation Limitation	1,690.0	1,450.0	-240.0
Facilities and Equipment	2,269.1	2,032.4	-236.7
Research, Engineering and Development	266.8	259.2	-7.6
Aircraft Purchase Loan Guarantee	0.149	0.050	-0.099
Total Amounts Available	$8,806.8	$8,324.1	-$482.7
FTE's 1/			
Operations	47,706	46,049	-1,657.0
Facilities and Equipment	2,300	2,300	0.0
Research, Engineering and Development	711	711	0.0
Aviation Insurance Revolving Fund	2	3	1.0
Reimbursable	414	414	0.0

1/ Includes non-ceiling FTEs.

OUTLAYS

Table 11

Summary of Outlays
(Dollars in Thousands)

Appropriation	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Operations	4,562,229	4,590,400	4,689,600
(Trust Fund)	2,198,896	2,545,854	2,609,123
(General)	2,363,333	2,044,546	2,080,477
Facilities and Equipment	2,378,107	2,019,000	2,010,000
Research, Engineering and Development	225,994	281,300	285,000
Grants-in-Aid to Airports	1,619,615	1,785,000	1,593,900
Reinvention Proposal	---	---	-270,045
Aircraft Purchase Loan Guarantee	8	51	50
Miscellaneous Expired Accounts	145	1,724	0
Aviation Insurance Revolving Fund	-1,599	-3,600	-3,600
TOTAL	8,784,499	8,673,875	8,304,905